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PARAMOUNT HOME ENTERTAINMENT INC.

**UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF VIRGINIA
(Richmond Division)**

In re

CIRCUIT CITY STORES, INC., *et al.*,

Debtors.²

Case No.: 08-35653-KRH
(Jointly Administered)

Chapter 11

**JOINDER OF PARAMOUNT HOME ENTERTAINMENT INC.
TO OBJECTIONS TO CONFIRMATION OF DEBTORS' CHAPTER 11 PLAN OF
LG ELECTRONICS USA, INC.; EASTMAN KODAK COMPANY;
ENVISION PERIPHERALS; AND THQ, INC.**

¹ Orders granting *pro hac vice* admission for Messrs. Stern and Tuchin and Ms. Elliott (f/k/a Korin A. Avelino) were entered by the Court on July 24, 2009. See Docket Nos. 4279, 4280, and 4281.

² The Debtors and the last four digits of their respective taxpayer identification numbers are as follows: Circuit City Stores, Inc. (3875), Circuit City Stores West Coast, Inc. (0785), InterTAN, Inc. (0875), Ventoux International, Inc. (1838), Circuit City Purchasing Company, LLC (5170), CC Aviation, LLC (0841), CC Distribution Company of Virginia, Inc. (2821), Circuit City Properties, LLC (3353), Kinzer Technology, LLC (2157), Abbott Advertising Agency, Inc. (4659), Patapsco Designs, Inc. (6796), Sky Venture Corp. (0311), Prahs, Inc. (n/a), XSSstuff, LLC (9263), Mayland MN, LLC (6116), Courchevel, LLC (n/a), Orbyx Electronics, LLC (3360), and Circuit City Stores PR, LLC (5512).

Paramount Home Entertainment Inc. (“Paramount”), creditor and holder of an administrative expense claim in the cases of the above-captioned debtors and debtors in possession (collectively, the “Debtors”) hereby joins in the objections to confirmation of the Debtors’ Amended Joint Plan of Liquidation [Docket No. 5124] (the “Plan”) of LG Electronics USA, Inc. [Docket No. 5652], Eastman Kodak Company [Docket No. 5655], Envision Peripherals [Docket No. 5659], and THQ, Inc. [Docket No. 5677] (collectively, the “Plan Objections”) and requests that the Court deny confirmation of the Plan.

I. **BACKGROUND**

On November 10, 2008 (the “Petition Date”), the Debtors, filed voluntary chapter 11 petitions in this Court.

In the ordinary course of business, prior to the Petition Date, Paramount regularly received orders from and shipped goods to the Debtors. As of the Petition Date, the Debtors had received many goods from Paramount for which the Debtors had not yet paid, resulting in a substantial pre-petition debt. Paramount has asserted the following claims and rights to payment against the Debtors:

1. A section 503(b)(9) claim,³ Claim No. 1009, in the amount of \$3,133,634.57.
2. A reclamation claim, which may be denominated as one for conversion of or an *in rem* claim to the proceeds of the goods subject to reclamation⁴ for \$11,600,840.04. This amount is inclusive of the amount entitled to priority pursuant to section 503(b)(9), although obviously Paramount does not seek a double recovery.
3. A general pre-petition claim, Claim No. 9681, for \$16,497,463.67 less amounts which are allowed in connection with the reclamation claim and the section 503(b)(9) claim.

³ Although there are legally significant statutory differences between claims under sections 501 and 502 and rights to payment under section 503, in the interest of linguistic simplicity, Paramount will refer to a right to payment under section 503(b)(9) and other administrative expenses as claims.

⁴ The Debtors sought to reclassify Paramount's claim arising from its right of reclamation as a general unsecured claim. *See* Docket No. 3703. Paramount opposes any such reclassification. That matter has not yet been decided by this Court.

On September 29, 2009, the Debtors filed the Plan. On November 13, 2009, Paramount timely filed the *Objection of Paramount Home Entertainment Inc. to First Amended Joint Plan of Liquidation of Circuit City Stores, Inc. and Its Affiliated Debtors and Debtors in Possession and Its Official Committee of Creditors Holding General Unsecured Claims* [Docket No. 5667] (the “Paramount Objection”), in which it objected to confirmation of the Plan on the basis that it failed to satisfy Bankruptcy Code section 1129(a)(9).

II. **JOINDER**

Paramount now joins in the Plan Objections and incorporates the arguments made in those objections as though fully set forth herein. Paramount reserves the right to join in additional objections to the Plan at a later time.


III. **CONCLUSION**

Paramount respectfully submits that the Court should deny confirmation of the Plan for all of the reasons set forth in the Paramount Objection and in the Plan Objections.

Respectfully submitted,

DATED: November 16, 2009

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CERTIFICATE OF SERVICE

I, Korin A. Elliott, hereby certify that a true and correct copy of the foregoing *Joinder of Paramount Home Entertainment Inc. to Objections to Confirmation of Debtors' Chapter 11 Plan of LG Electronics USA, Inc.; Eastman Kodak Company; Envision Peripherals; and THQ, Inc.* has been served upon the parties listed below via overnight courier on this 16th day of November, 2009.

/s/ Korin A. Elliott

Korin A. Elliott (kelliott@ktbslaw.com)

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